

**STATEMENT OF PROCEEDINGS FOR THE REGULAR MEETING OF THE
CITY OF TEMPLE CITY OVERSIGHT BOARD**

**CITY OF TEMPLE CITY
COUNCIL CHAMBERS
5938 KAUFFMAN AVENUE
TEMPLE CITY, CALIFORNIA 91780**

Monday, January 7, 2013

1:00 p.m.

AUDIO LINK FOR THE ENTIRE MEETING (13-0527)

Attachments: [Audio](#)

I. CALL TO ORDER

Chair Jaynes called the meeting to order at 1:00 p.m.

II. ROLL CALL

Tanya Ruiz, Oversight Board Secretary, called the roll:

Present: **Board Members Brian Haworth, Linda Payne, Jose Pulido,
Scott Wiles, Vice Chair Steven Peacock and Chair David Jaynes**

Vacancies: **County of Los Angeles Appointee**

III. STAFF COMMUNICATIONS

This time is set aside for Successor Agency staff to update the Board on important items initiated by staff or previously requested by the Oversight Board.

- 1.** Update on the "Meet and Confer" with the Department of Finance on October 1, 2012. (12-5083)

Tracey Hause, Administrative Services Director, presented a verbal report on the "Meet and Confer" telephone conference that took place between the Successor Agency and the Department of Finance (DOF) on October 1, 2012. Ms. Hause informed the Oversight Board that the DOF submitted their determinations in a December 18, 2012, letter denying all requests of the Successor Agency, including the remaining bond proceeds listed in the Due Diligence Review as well as funds related to the Rosemead Boulevard Project listed in the Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013 (ROPS 3); and concluded that the Successor Agency staff intends to continue contesting the DOF's determinations.

By Common Consent, there being no objection (County of Los Angeles Appointee being vacant), the Oversight Board accepted Ms. Hause's report.

IV. ADMINISTRATIVE MATTERS

2. Recommendation: Approve the minutes for September 26, 2012. (12-0218)

On motion of Board Member Payne, seconded by Vice Chair Peacock, duly carried by the following vote, the Oversight Board approved the September 26, 2012 Minutes.

Ayes: 6 - Board Members Haworth, Payne, Pulido, Wiles, Vice Chair Peacock and Chair Jaynes

Vacancies: 1 - County of Los Angeles Appointee

Attachments: [September 26, 2012 Minutes](#)

V. DISCUSSION

3. Discussion and review of the All Funds Due Diligence Review (DDR) report, convening a public comment session thereon, and setting a date for vote thereon, pursuant to Health and Safety Code Section 34179.6(b). (13-0179)

Tracey Hause, Administrative Services Director, provided a staff report and the All Other Funds Due Diligence Review Report (DDR) to the Oversight Board. Ms. Hause explained the DDR process and concluded her presentation with the recommendation that the Oversight Board (1) receive and file the DDR report, (2) convene the public comment session, and (3) continue to allow public comments until January 14, 2013.

David Showalter, Accountant, Vavrinek, Trine, Day & Co., LLP, explained that the purpose of the report is to determine what assets can be disbursed to the taxing entities; and the report concluded that \$6,956 would be remitted to the County of Los Angeles for disbursement to taxing entities. Mr. Showalter also informed that the Agreed Upon Procedures (AUP) report revealed transfers that were made in January 1, 2011 through January 31, 2012, and referred to page 10 of the report, which lists property transfers made by the Successor Agency to the City of Temple City. He noted that since the transfers were made during that specific time period, the Successor Agency may be required to reverse the transactions.

Mr. Showalter also referenced pages 5 and 6 of the report, and revealed that Procedure 6 lists the Successor Agency's restricted assets. He explained that the Successor Agency classified assets totaling \$1,982,914 as restricted unspent bond proceeds and of that amount, \$627,255 was identified as restricted for bond debt service reserve with a third-party trustee. Furthermore, Mr. Showalter informed that based on the report, \$1,355,689 has been identified as unspent bond proceeds.

Ms. Hause pointed out that the \$1,355,689 amount is unspent bond proceeds for the 2005 bonds, which are restricted for the Rosemead Boulevard Redevelopment Project Area. . Ms. Hause informed that bond proceeds are normally transferred to a third-party, but in 2005, the former Redevelopment Agency failed to do so, therefore, the funds were comingled into the Successor Agency's checking account and not in a separate bank or trustee account.

Teresa Highsmith, Oversight Board Legal Counsel, informed the Oversight Board that the procedures in the report were completed accurately, legally, and noted that she had no issues or concerns to report.

By Common Consent, there being no objection (County of Los Angeles Appointee being vacant), the Oversight Board opened the public comment session.

On motion of Board Member Payne, seconded by Board Member Wiles, duly carried by the following vote, the Oversight Board: (1) Received and filed the All Other Funds Due Diligence Review Report; (2) Opened the Statutory public comment and received no public input; and (3) Continued to allow for public comments to Monday, January 14, 2013 at 2:30 p.m.:

Ayes: 6 - Board Members Haworth, Payne, Pulido, Wiles, Vice Chair Peacock and Chair Jaynes

Vacancies: 1 - County of Los Angeles Appointee

Attachments: [Staff Report](#)

[Final All Funds Due Diligence Review](#)

[All Funds Due Diligence Review](#)

[Resolutionhttp://file.lacounty.gov/bos/supdocs/73629.pdf](http://file.lacounty.gov/bos/supdocs/73629.pdf)

4. Discussion on the repayment of deferred Housing Fund Deposits. (12-5081)

Tracey Hause, Administrative Services Director, presented a staff report and briefed the Oversight Board that in 1985, the former Redevelopment Agencies (RDA) were required to set aside 20% of tax increment for Low and Moderate Income Housing Funds; however, the rules did not become fully defined until 1996. In 2011, Seifel Consulting was retained by the RDA to investigate all aspects of the RDA's revenue projections, outstanding financial obligations and historical use of Housing Funds. The report indicated that from 1985 to 1996, the RDA, as permitted by law, deferred depositing its required 20% of gross tax increment into the Housing Fund. The calculation of how the Low and Moderate Deferral (20% Set aside) asset of \$753,736 was derived and noted in Attachment A of the staff report. Therefore, the RDA, before its dissolution, had not approved a repayment schedule for this outstanding debt as ABx1 26 halted any actions.

Chair Jaynes questioned who will be responsible for the repayment of the debt. Teresa Highsmith, Oversight Board Legal Counsel, informed the Oversight Board that the Successor Agency will have to repay the Housing Successor Agency over a time period, beginning Fiscal Year 2013-2014. Ms. Highsmith also indicated that the Successor Agency has no information on the repayment schedule nor the steps required, but assured the Oversight Board that the direction will come from the State.

By Common Consent, there being no objection (County of Los Angeles Appointee being vacant), the Oversight Board received and filed the report.

Attachments: [Staff Report](#)

VI. MISCELLANEOUS

5. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-5084)

Board Member Wiles requested to change the meeting time for the Special Meeting of January 14, 2013 from 1:00 p.m. to 2:30 p.m.

On motion of Chair Jaynes, by Common Consent, there being no objection (County of Los Angeles Appointee being vacant), the Oversight Board approved the change in time from 1:00 p.m. to 2:30 p.m. for the Special Meeting of Monday, January 14, 2013.

6. Public Comment. (12-5085)

There were none.

7. Adjournment. (12-5086)

The meeting adjourned at 2:09 p.m. A Special Meeting has been scheduled for Monday, January 14, 2013 at 2:30 p.m.